



# "Big Dreams Small Business" NEWS

## SBA To Increase Size Standards Allowing 8,600 Firms to Regain Small Business Status

Effective February 22, 2002, for procurement purposes, the SBA is increasing its receipts-based size standards. The receipts-based size standards are being increased by 15.8 percent to account for inflation. (Employee-based size standards remain the same.)

The receipts-based size standards were last increased for inflation in 1994. This change will allow at least 8,600 firms to regain small business status.

The increased size standards apply to all solicitations issued on or after February 22, 2002--except noncompetitive 8(a) contracts. For noncompetitive 8(a) contracts, i.e., sole source, the increased size standards apply to offers of

procurements that are accepted by SBA on or after February 22, 2002.

The interim Final Rule, increasing the receipts-based size standards, was published in the Federal Register on January 23, 2002. To see the rule and get a copy of the new size standards, visit: <http://www.sba.gov/size> and click on "What's New?"

Any comments about the size standards should be directed to the Small Business Administration, Office of Size Standards in Washington, DC, at the following e-mail address: [sizestandards@sba.gov](mailto:sizestandards@sba.gov)

## ***Impact of the 2002 Defense Authorization Bill on Service Contracting***

The 2002 DOD Authorization Bill will have significant influence on how the Government, not just DOD, acquires ser-

vices. For DOD and those agencies with whom DOD contracts for services, the Bill requires new oversight, tracking, and approval of service acquisition in certain situations.

Specifically, Section 801 requires DOD to establish and implement a management structure comparable to the procurement of products. Designated contracting officers must ensure that services above a certain threshold not defined in the Bill meet all applicable statutes, regulations, and other requirements. This is regardless of whether the services are acquired through a DOD contract, task order or a task order issued by a non-DOD contracting officer. DOD contracting officers must approve, in advance, any acquisition of services above the threshold not performance-based or issued by a non-DOD contracting officer. This section also establishes a tracking system of record for purchases above \$100,000, performance-based procurements, the extent of competition, and small business participation.

Section 803 defines competition requirements for service acquisitions above \$100,000 through multiple award contracts. The new procedures require that a fair notice of intent to purchase (including a description of work and basis for selection) be provided to all contractors under a MAC and to afford all contractors responding to the notice a fair opportunity to make an offer and have that offer fairly considered. For the FSS, MAS contract, notice must be provided to as many contractors as practicable, and if fewer than three offers are received, a **DOD contracting officer** must determine in writing that no additional qualified contractors were able to be identified despite reasonable efforts to do so. While the Bill applies only to DOD and those agencies with whom DOD contracts for services, it is likely that such changes will be extended to all agencies. The Bill becomes effective not later than July 1, 2002. To view the Bill, go to [thomas.loc.gov](http://thomas.loc.gov), enter Bill Number S.1438, and click on the "enrolled" version.

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***Check out a new on-line tool, "Seven Steps to Performance Based Service Acquisition Guide" on our website at [www.r6.gsa.gov](http://www.r6.gsa.gov) under What's New"***

#### **Upcoming Events:**

- Mar 18-20: 2002 Dept. of Defense Mentor-Protégé Conference, Washington, DC, <http://www.sadbuconferences.com>
- Apr 15-18: GSA Network Services Conference & Expo, Orlando, FL
- Apr 29 – May 2: 2002 Reservation Economic Summit & American Indian Business Trade Fair, New Orleans, LA, <http://www.ncaied.org>
- May 8-10: 35<sup>th</sup> Annual Industry & SBA Procurement Conference, Training & Expo, Washington, DC, <http://www.sba.gov/gc/>
- May 21-23: GSA Federal Supply Service International Products & Services Expo, San Diego, CA, <http://www.expo.gsa.gov>